

Week Ending Friday, June 23, 1995

**The President's News Conference
With Prime Minister Tomiichi
Murayama of Japan in Halifax,
Canada**

June 15, 1995

The President. Good afternoon. Before turning to my meeting with Prime Minister Murayama let me begin by thanking Prime Minister Chrétien and the people of Halifax for welcoming Hillary and me and our delegation to Canada. Even on our short boat ride across the harbor we could see why this city and, indeed, all of Nova Scotia are favorite sights for so many American tourists. I hope the important business we do here won't prevent us from enjoying a little of this very beautiful place.

Our business began today with the meeting with Prime Minister Murayama, the third in the constructive dialog we began last November. Our discussion focused on the strength of the U.S.-Japan relationship, and we are determined to make it stronger still. Never have the ties between our nations been more important, and never have they been closer.

Our two great democracies are also the world's largest economies. Together we make up more than 30 percent of the world's gross domestic product. And trade between our people is growing rapidly.

Our security ties have never been closer. Friends and foes alike know the Japanese-American relationship is the most important force for peace and stability in the Asia-Pacific region. Every day our people work together on the vital challenges of our times, protecting the environment, responding to natural disasters, combating the deadly trade in illegal drugs, and fighting the terrorists who have threatened both our nations from abroad and from within.

No issue is more important to our nations than stopping the spread of nuclear weapons. Prime Minister Murayama and I, along with

our South Korean allies, have worked tirelessly on our strategy to stop the development of North Korea's nuclear program. We pledged to push forward with this week's important agreement to implement that strategy. Japan has agreed to make a significant contribution to the light-water reactors that will supply energy to the North Koreans without producing weapons-grade materials. And I thank the Prime Minister for Japan's ongoing commitment to the fight against weapons of mass destruction.

The Prime Minister briefed me on plans for the upcoming meeting of the Asian-Pacific Economic Cooperation forum. APEC, as all of you know, has become an essential part of America's strategy for regional prosperity. Japan and the United States will work together so that November's meeting in Osaka sustains the momentum toward free and open trade in the Asia-Pacific region, achieved in Seattle and Indonesia last year.

We also discussed our progress and our disagreements on trade. Fifteen times, since the beginning of my administration, the United States and Japan have concluded agreements to open markets and increase trade across a wide variety of products and services. The latest, reached just this week, offers tax and financial incentives to Americans who want to establish on-the-ground operations in Japan. The Prime Minister and I also agreed to extend the 1993 framework on trade negotiations, and I am optimistic that that will advance both our interests in free and open trade. Once again, this proves that our countries can and do work together to solve our disputes and enable American companies to better compete in the Japanese market.

But we also, as all of you know, have real differences. The Prime Minister and I discussed the problem of access for U.S. airline cargo carriers to the Japanese market, for example. I again expressed to the Prime Minister my concern that Japan honor rights that

our carriers now have guaranteed under existing civil aviation agreements.

On the difficult issue of autos and auto parts, we had a frank and open exchange of our views. We agreed that our negotiators should redouble their efforts to seek a solution to those differences when they meet in Geneva next week. But I made it clear that I am determined to carry through on my effort to open Japan's auto markets. Billions of dollars in American exports and thousands of American jobs are at stake. They depend upon our success.

Opening these markets, as I have said repeatedly, will benefit not only the United States but Japanese consumers as well. I have instructed our negotiators to pursue every possible avenue of resolution before the June 28 deadline, and I remain hopeful that an acceptable, meaningful agreement can be reached. But if a solution cannot be found by the deadline, I will impose sanctions, and the United States will also pursue a case before the World Trade Organization.

At times like these, it is tempting to focus only on the differences that bring our two nations to the negotiating table. But I ask you again not to lose sight of the broader truths of our relationship. Only decades after the end of the terrible war that pitted our people against each other, the United States and Japan are allies and share a profound commitment to democracy, security, and prosperity. Our common agenda embraces everything from the fight to preserve our global environment to the global fight against AIDS, promoting the cause of women in developing countries, now to working together on natural disasters like earthquakes, and dealing with our common concerns after Oklahoma City and the terrible incident in the Japanese subway with terrorism and the proliferation of weapons of mass destruction.

In any relationship as broad and deep as ours, there will always be differences. But the United States and Japan agree, no one issue, no one difference, will allow us to undermine our alliance or stop us from pursuing our shared goal and our common interests. Our two great democracies will never rest in our pursuit of a better, a safer, and a more prosperous future for all of our people.

Mr. Prime Minister.

Prime Minister Murayama. In my meeting with President Clinton for a couple of hours, until a while ago, I engaged in a candid exchange of views on the present and future of Japan-U.S. relations and the stance that we'll take as we go to the G-7 summit meeting. And I think the meeting was very meaningful.

The Japan-U.S. relations have grown over the past 50 years, since the end of the Second World War, and are connected by a strong bond of cooperation and collaboration.

President Clinton and I confirmed that security dialog is progressing smoothly. Thanks to the President's cooperation, the issue of U.S. military bases in Okinawa has seen important progress. And the response to North Korea's nuclear development issue, which seemed to test our bilateral collaboration, has produced important results, thanks to the solidarity of our two countries and the Republic of Korea, and it is a matter that we expressed appreciation for.

Common agenda—that is to say our cooperation from global perspectives—is a symbol of creative partnership between our two countries. We today received a joint report containing new areas of cooperation. And the President and I are of the view that such cooperation should be promoted further.

As was mentioned earlier by the President, we also discussed the auto issue as well as the civil aviation issue. While the two countries remain apart on these issues, the President and I see eye to eye that we both will do our utmost to settle the issue as early as possible through the consultations slated for next week in Geneva. By the way, since the President has alluded to this matter, I should like to say that I asked for expeditious removal of the unilateral measures since they violate the rules and spirit of the World Trade Organization.

Now, in connection with that, including the civil aviation issue, we both agree that Japan-U.S. relations are a bilateral relationship of vital importance, so much so that the auto issue and aviation issue should not be allowed to adversely affect the overall Japan-U.S. relations.

We'll welcome President and Mrs. Clinton as state guests in November. Today's meeting with the President took place at a midpoint between my visit to Washington, DC, earlier, in January, and his visit to Japan in November. I am determined to further strengthen our bilateral partnership in the run up to the President's visit and beyond, into the future.

Lastly, I proposed to the President to hold a bilateral symposium of seismologists on earthquakes, in order to enable the peoples of our two countries who have experienced the great Hanshin earthquake and the Northridge earthquake, respectively, make the most of their experiences and the lessons. And the President has agreed to the proposal.

Thank you.

Japan-U.S. Trade

Q. Did you hear anything new today from Mr. Murayama to indicate a willingness to open Japan's auto markets, or was he inflexible? And also, was there anything that you heard from him that might lead you to extend the June 28th deadline?

The President. The answer to the second question is, no. The answer to the first question is, we did not negotiate here, and we should not have. We had many other matters to discuss. We are both very ably represented by Ambassador Kantor and Minister Hashimoto and others on our behalf, and we have scheduled resumption of talks on the 22d and 23d in Geneva. So we did not discuss the details. But I did not and I will not agree to extend the deadline.

North Korea

Q. On the North Korean issue, up to the U.S.-North Korean agreement in Malaysia, I think there was some awkwardness in relations amongst Japan, Korea, and the United States. I wonder how the collaborative relationship will be kept up in the future? And how will Japan cooperate with this issue, including Japan's financial cooperation and if a substantial payout is made, when will that be?

Prime Minister Murayama. Well, on that question of North Korean nuclear development issue, as was mentioned, in fact, we did discuss a lot of things. The talks in Malaysia were a very difficult one, and the United

States continued to negotiate tenaciously. And as a result, the U.S. and North Korea finally arrived at a joint press conference. And we very much—highly appreciate all those efforts and the result.

Now, there may have been some misunderstanding amongst the parties in the process, but after overcoming those misunderstandings, we have had very close contacts between Japan and the United States as well, and we arrived at this agreement. So we would like to actively promote the outcome.

What sort of burden shall we take? When will we come up with a conclusion? Those are matters that we'll have to work on and finalize in the days ahead. At any rate, on this matter, Japan and the United States at the end of the day will continue to maintain close cooperation and act in concert. There is an agreement on that.

Japan-U.S. Trade

Q. Mr. President, what if the June 28th action, the imposition of tariffs, were to ignite a trade war with Japan? Won't that do more to adversely impact the jobs and the exports that you're trying to protect in the first place, sir?

The President. Well, of course, we hope that won't happen. But we've already considered the alternatives, and I believe we're on the right course.

Q. Did you get any assurance from the Prime Minister as to what the Japanese response might be?

The President. We did not discuss the details of the trade issue, other than to talk about the firmness of the June 28th deadline and our common hope and our common pledge that we could have a satisfactory resolution on the 22d and the 23d when our negotiators meet. And of course, the Prime Minister very ably restated his position, as he did here.

Prime Minister Murayama. With regard to June 28th, we did hear remarks from the President, and so, in response, I said that the 28th of June, we understand, is a deadline set by Section 301, but that is a matter of U.S. domestic law. As far as Japan is concerned, the auto talks are not talks conducted

under Section 301. That is the Japanese understanding, and I stated that clearly.

What is important is that we do not engage in talks with both of our fists raised but rather talk to each other in good faith and try to resolve the problem through talks and let us work on that. And fortunately, on the 22d and 23d of June, there will be some Cabinet level talks in Geneva. And through those talks we hope that we'll be able to come up with a solution that will be convincing to the international public opinion as well. And so let us do our utmost.

Q. I'd like to ask the same question to both of you on the auto issue. Does that mean that each side will step one head ahead of the positions that you've stuck to so far? I wonder if you've engaged in discussions with that sort of feeling or intention to make a step forward.

Prime Minister Murayama. Well, these are talks, consultations. So if both sides remain stuck into their principles, there will be no talks. We certainly have to keep our eye on overall flows or developments and try to walk closer to each other. Otherwise, there will be no solution. So where we can yield, we should yield to each other, so that we should find out the ways that will lead us at the end of the day to a solution. And let us find a way to do that. That is something that we've agreed on.

The President. I have nothing to add to what the Prime Minister said. As you know, the objective of the United States is to open the market, to be free to compete. But it would have been inappropriate for us to engage in the details of the discussion. As I said before, we have both been very ably represented by people who have dealt with this issue for a long time. And so we reasserted the framework from which we are both proceeding, which I have stated and which he has stated. We did not negotiate the details of the agreement.

Q. Mr. President, you said in your opening statement that the security relationship between the United States and Japan has never been stronger. But administration officials have said that frictions on trade could eventually lead to a deterioration of that relationship. What is your read of that? If this isn't solved—

President Clinton. That is exactly why both the Prime Minister and I today said that we have made a common commitment not to allow our entire relationship to be defined by a trade difference. Even in the area of trade, we've made 15 agreements in 2½ years. That's pretty impressive. Even though the autos and auto parts are a bigger part of our economy, a bigger part of their economy, and a bigger part of the trade imbalance than all these other things combined, they are still significant.

And in other areas—what Japan and South Korea and the United States are doing with the North Korean nuclear problem is a matter of profound importance to every Japanese citizen, every American citizen, and all the people who live in North Asia. The things that we can do together to deal with problems like biological and chemical weapons being used in terrorists attacks—we are both more vulnerable to that as we open our societies to the 21st century—to organized forces of destruction.

The responsibilities we both have to the rest of the world to try to lead in environmental protection, in the fight against AIDS, and many other areas, these matters make it imperative that we maintain the closeness of our relationship. And we have pledged to each other today that however difficult our differences get in one area or the other of this relationship, we will not let it destroy the bonds of friendship and common values that are imperative for not only the American and the Japanese people but for the entire world.

Prime Minister Murayama. The President has said it all, so I really don't have anything to add. But this cooperation based on Japan-U.S. relationship will contribute not only to the Asian economy but contributes very importantly to the world economy as well. So that is our common understanding. It is from that vantage point that we engage in cooperation on issues of global scale, which we have referred to. So we both have reaffirmed that we will continue cooperation in those areas as well.

Q. Once again, on the auto issue, in the series of Japan-U.S. auto issues, you are far apart on one single issue, and that is whether the volunteer purchases should be increased

or not. I wonder if the Clinton administration plans to continue to stick on that position, and would the Murayama administration continue to refuse. If so, I think agreement or compromise will be very difficult. I wonder how you intend to settle the problem with emphasis on this one point of auto purchase plan.

Prime Minister Murayama. As the President mentioned earlier, in our talks today we did not go into details of those talks because, as the President mentioned, we have outstanding negotiators, and on the 22d and 23d, there will be further talks in Geneva on that issue. And including that aspect, I hope that there will be in-depth discussions in Geneva and somehow we'll be able to come up with a force that will lead us to the settlement of the issue through talks. So let us both make efforts to that end.

The President. You have identified by your question one of the very key issues in the negotiations. Any answer that we give will undermine the possibility that a successful negotiation can occur.

Thank you very much.

[At this point, the President was presented with a plaque from the children of the Kobe area in Japan to show their appreciation for help received from the United States after the Hanshin earthquake.]

The President. We'll hang this in the White House as a constant reminder about this.

NOTE: The President's 98th news conference began at 4:40 p.m. at Dalhousie University. Prime Minister Murayama spoke in Japanese, and his remarks were translated by an interpreter. In his remarks, the President referred to Minister of International Trade and Industry Ryutaro Hashimoto of Japan. This item was not received in time for publication in the appropriate issue.

The President's News Conference in Halifax

June 16, 1995

The President. I'd like to begin my statement with an American issue. I want to congratulate Salt Lake City on their successful pursuit of the Olympics in 2002. This will

be an historic event for Salt Lake City—[applause]—there was good applause there, maybe a native or two back there. It's a great event for Salt Lake City. They sought the Olympics many times over the last several years, and I congratulate them. It's a great thing for the Western part of the United States and, indeed, for our whole country.

I want to particularly congratulate Governor Mike Leavitt; the Mayor of Utah—of Salt Lake City, Dee Dee Corradini; and Tom Welsh, the president of the Salt Lake City Bid Committee for their efforts and a job well done.

From the beginning of our administration I've worked hard to make the global economy work for the American people. We live and work in a global market. Our living standards depend upon our ability to compete and to keep one step ahead of economic change.

In the past 2½ years, we have fought at home for a comprehensive economic strategy that would create jobs and lift the incomes of our people, focusing on reducing the deficit but investing in our people, in their education and their future. My new budget proposal continues to reflect these priorities.

At the same time, we have worked to open more markets around the world to our products in free and fair competition from others, through NAFTA, GATT, our work with the Asian-Pacific countries and with the countries of the Americas. We've also worked hard to encourage the global trend toward market democracy in the former Communist countries.

I am pursuing this strategy, above all, for one reason: to renew the promise of America in the 21st century. But I also want to preserve the leadership of America as a force for peace and freedom, for democracy and prosperity.

This G-7 meeting has moved us a step closer to these goals. We've taken concrete steps to strengthen the international financial system, something we promised to do last year in Naples. And let me give you one, and perhaps the most important, example.

Earlier this year, we in the United States were confronted with a serious financial crisis in Mexico. It posed a risk to markets throughout the world, and it certainly threatened our own economic health, as well as our long-